

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Developing a Unified Inter-carrier	)	CC Docket No. 01-92
Compensation Regime	)	

**Comments of the  
Regulatory Commission of Alaska**

Date: August 21, 2001

/s/  
G. Nanette Thompson, Chair

## **Table of Contents**

Summary	1
1. Implementing a Bill and Keep Proposal Will Likely Lead to Excessive Rate Increases in Alaska.	2
2. The State's Universal Service Fund is Incapable of Absorbing the Bill and Keep Increases. Alaskans Would Drop Off of the Network, Finding the Rate Increases Unaffordable.	2
3. Bill and Keep Should Not Be Implemented Absent Consideration of Effects on Universal Service by the Universal Service Joint Board.	3
4. Bill and Keep Should Not be Implemented Absent Consideration of Jurisdictional Effects by the Separations Joint Board.	4
5. Bill and Keep May Require Changes to the Lifeline Program.	6
6. The FCC Should Not Preempt State Control Over Inter-Carrier Compensation Mechanisms. Preemption Could Compromise Past Decisions Concerning Rural Exemption	6
7. The FCC Should Not Adopt a Proposal that Shifts Carrier Costs to the End-User Without Also Requiring the Carriers to Reduce their Rates in Compensation	8
Conclusion	9

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Developing a Unified Inter-carrier	)	CC Docket No. 01-92
Compensation Regime	)	
	)	

**Comments of the  
Regulatory Commission of Alaska**

The Regulatory Commission of Alaska (RCA) welcomes the opportunity to respond to the Notice of Proposed Rulemaking (NPRM) released by the Federal Communications Commission (FCC) on April 27, 2001, in CC Docket No. 01-92. (See FCC 01-132). In the NPRM, the FCC sought comments on whether and how to replace the existing variety of inter-carrier compensation methods with a unified approach, including whether to adopt one of two "Bill and Keep" proposals.

**Summary**

We believe the FCC should not further consider either Bill and Keep proposal without an understanding of the impacts both proposals will have on the universal service fund, jurisdictional separations, and intrastate consumers. If implemented, a Bill and Keep system would likely raise rates in rural Alaska to excessive and unreasonable levels. Alaska's state universal service fund would be unable to provide the funding necessary to ensure affordable rates. Changes to compensation mechanisms could also affect

our past decisions lifting the rural exemption in areas of Alaska. Given the potential negative impact on state consumers, we cannot support the FCC's proposals and recommend that Bill and Keep mechanisms be referred to the Universal Service and Separations Joint Boards. We also strongly oppose proposals to preempt state control over intrastate interconnection policies and rates.

**1. Implementing a Bill and Keep Proposal Will Likely Lead to Excessive Rate Increases in Alaska.**

Table 3 provides our best estimate of the effects of Bill and Keep on Alaskan consumers if the method is applied to state and interstate access systems. Our data suggest that if applied to interstate access, Bill and Keep would increase end-user rates by over \$20 per month for about a third of our rural companies, with some users having rate increases in the \$35 to \$60 per month range. If applied to state access, Bill and Keep could lead to an additional increase of over \$10 to \$59 per month for most rural companies in Alaska. Collectively, these increases reach overwhelming levels, with over a third of rural Alaskan companies facing rate increases in the \$35 to \$100 per line per month range. These increases would be in addition to the customer's local service charges.

**2. The state's universal service fund is incapable of absorbing the Bill and Keep increases. Alaskans would drop off the network, finding the rate increases unaffordable.**

The poverty rate for Alaskan Natives was 25.9% in 1999.<sup>1</sup> Many of our rural areas cannot afford the level of rate increases we estimate

---

<sup>1</sup> US Census Bureau, 1999 data, *Poverty in the United States*, Page 14, Issued 9/2000.

will occur under Bill and Keep, and we project that a loss in subscribership will likely result. If drastic subscribership losses occur, it could affect the financial viability of the carrier providing service.

Alaska's ability to support an increased end-user charge through our intrastate universal service fund is limited given our small population base (about 500,000 access lines statewide) and high poverty levels in many rural areas. It would not be feasible to make up the difference with a state based universal service fund because the remaining population would not be able to support it.<sup>2</sup>

Given the potential effect on Alaska, we cannot support an interstate Bill and Keep system.

**3. Bill and Keep Should Not Be Implemented Absent Consideration of Effects on Universal Service by the Universal Service Joint Board.**

As previously shown, the proposed Bill and Keep systems could easily lead to excessive end-user rate increases for Alaska. We expect other high-cost states will report similar results. The FCC has not addressed how rates can be comparable between urban and rural areas and between states when Bill and Keep may eliminate the major benefits of NECA pooling<sup>3</sup> and

---

<sup>2</sup> We estimate that the state universal service fund would need to increase by about \$22 M in order to ensure that any state and federal end-user access fees collectively were no higher than \$10 per line per month. The \$10 figure was chosen to illustrate our concern and does not indicate that we believe a \$10 increase would necessarily be affordable.

<sup>3</sup> Alaska is a high cost state and many local companies in Alaska benefit from the pooling mechanisms under the National Exchange Carriers Association (NECA). It is unclear how or to what degree NECA pooling will continue if access fees paid by carriers are for the most part converted to end-user fees.

will raise end-user fees in high cost rural areas. Under Bill and Keep, Alaska, and possibly other states, would require significant increases in federal universal service support to ensure the Universal Service goals of the Act were met. The FCC must consider how best to adapt the Long Term Support, CALLS and other high cost support mechanisms prior to conversion to any new Bill and Keep environment. We therefore recommend that Bill and Keep issues be referred to the Universal Service Joint Board.

**4. Bill and Keep Should Not Be Implemented Absent Consideration of Jurisdictional Effects by the Separations Joint Board.**

We believe that the material changes contemplated by Bill and Keep should not occur without a clear understanding of whether those changes are consistent with the existing assignment of costs to the jurisdictions through the separations process. In the NPRM, the FCC indicated that a Bill and Keep system might provide a demarcation point between networks so that regulators need not allocate costs.<sup>4</sup> This suggests that the current sharing of costs between the state and federal jurisdiction might for all practical purposes be eliminated, as costs will be assigned fully to either the state or the federal jurisdiction. Section 47 U.S.C.A. § 410(c) requires the FCC to “refer any proceeding regarding the jurisdictional separation of common carrier property and expenses between interstate and intrastate operations” to a Federal-State Joint Board.

Participation by the Separations Joint Board will allow the FCC to evaluate whether it is more reasonable to achieve its goals through a

---

<sup>4</sup> NPRM at p. 34.

change in jurisdictional cost assignment rather than through a change in access rate design policy. The issues raised in the NPRM are also closely related to jurisdictional allocation issues now before the Separations Joint Board as it continues its review of the next generation separations policy.

The FCC is essentially proposing to change the dividing line between costs recovered through traditional interstate per minute rates and those recovered as part of the local bill. As we understand Bill and Keep, the local customer would be forced to pay interstate end-user fees. Failure to pay the interstate fee would likely lead to disconnection of local service. For all practical purposes, the Bill and Keep proposals are therefore changing the cost and concept of what is basic local service. To the extent that the FCC affects a shift in costs to local rate payers, it further supports involvement by the Separations Joint Board.

Changing who pays for costs has the potential to affect end-user rates, incentives for infrastructure investment, customer penetration levels, universal service funding needs, and virtually every major cost-recovery policy affecting state and federal rate payers. States have a significant interest in ensuring that federal cost allocation changes do not disrupt state networks, policies, and economic and social objectives.

We therefore request that no Bill and Keep system be implemented absent coordination and referral to the Separations Joint Board as well as the Universal Service Joint Board.

## **5. Bill and Keep May Require Changes to the Lifeline Program.**

We also note that depending on how a Bill and Keep system is implemented, resulting increases in end-user rates might be recovered through the Lifeline program. The Lifeline support per line however is limited and in many cases would only cover a small portion of the rate increases estimated to occur under Bill and Keep. In Alaska and in other states, most people eligible for Lifeline fail to subscribe to the program. For these reasons, we request that Bill and Keep not be adopted until after the Universal Service Joint Board completes its review of the Lifeline/LinkUp program and appropriate changes are implemented. The potential need for adjustment to the Lifeline system is further reason to coordinate and refer actions with the Universal Service Joint Board.

## **6. The FCC Should Not Preempt State Control Over Inter-Carrier Compensation Mechanisms. Preemption Could Compromise Past Decisions Concerning Rural Exemption.**

We are currently evaluating whether to adjust our state access charge system to include a state Subscriber Line Charge (SLC).<sup>5</sup> Given the magnitude of a potential state SLC, the possible disparity in effects between rural and urban areas, as well as other issues, we continue to carefully consider whether a state SLC is in the best interest of Alaska and whether any negative effects can be alleviated by careful adjustment to our state universal service fund. We believe we are in a better position to make these policy decisions than the FCC because of the importance of knowledge about local markets to making a decision that has minimal negative impacts. We

---

<sup>5</sup> See RCA Docket R-01-01, entitled *In the Matter of the Consideration of Reform of Intrastate Interexchange Access Charge Rules*.



therefore strongly oppose FCC preemption of state control over intrastate access policies.

The FCC may also preempt state control over intrastate local carrier interconnection agreements, moving them to a Bill and Keep arrangement. We oppose preemption of our control in this area. Our proximity to the issues and knowledge of Alaska conditions allow us to make informed decisions concerning the numerous carrier interconnection agreements and disputes that regularly arise in our local competitive markets.

Forcing Alaskan intrastate interconnection agreements to comply with a national Bill and Keep policy will change cost recovery mechanisms and effective rates for our rural carriers. While we have not evaluated the effect, we raise the issue of whether changing to a federal Bill and Keep system will compromise our past decisions to lift the rural exemption in areas of Alaska. The resulting Bill and Keep rates may lead to inadequate universal service funding, customer drop off or unfair assignment to the incumbent of some or all of the costs incurred to ensure interconnection with a competitor.<sup>6</sup>

In summary, if the FCC implements either of the noticed Bill and Keep systems, it will be difficult to determine how best to reform our state access charge system and to regulate Alaska local inter-carrier compensation mechanisms to protect the public interest, ensure appropriate carrier cost

---

<sup>6</sup> Such cost assignment could incur if there were a traffic or similar imbalance between the incumbent and competitor.

recovery, and promote competitive neutrality. We are familiar with Alaska and have the expertise to make these decisions. The FCC should not preempt us in this area.

**7. The FCC should not adopt a proposal that shifts carrier costs to the end-user without also requiring the carriers to reduce their rates in compensation.**

Either Bill and Keep proposal, if applied to interstate access services, would shift to end users the responsibility to pay a substantial portion of the access fees currently paid by long distance companies. Long distance companies would therefore see reduced expenses. However, there does not appear to be a requirement that long distance companies reduce their rates to pass their Bill and Keep related savings to their customers.

Long distance companies should not be given the benefit of reduced access fees absent a requirement to pass on the savings to their customers. If it is true that competition will naturally lead to rate reductions, then carriers should have no reservations concerning such a requirement.

If long distance companies fail to pass on their savings, then a Bill and Keep system applied to access would likely be contrary to the public interest as rates would increase without a commensurate increase in quality or availability of service.

### **Conclusion**

We believe that an interstate Bill and Keep program could be detrimental to Alaska, with monthly rate increases of over \$50 in many rural areas. The FCC should refer Bill and Keep issues to the Joint Boards so that the effect on states can be carefully considered. The FCC should not preempt the ability of states to review and regulate interconnection agreements and access arrangements. As has occurred in the past, states will likely mirror federal policies that are in the best interest of state consumers and no preemption is necessary. If Bill and Keep is implemented, interexchange carriers should be required to pass on their savings to their customers.

RESPECTFULLY SUBMITTED this 21st day of August, 2001.

/s/  
G. Nanette Thompson, Chair  
Regulatory Commission of Alaska

**Table 1: Estimated Effects of a Bill and Keep System on Alaskan End-User Fees**

**ESTIMATED LOOP EFFECTS**

<u>COMPANY NAME</u>	Number of <u>Loops</u>	1999		Estimated End-User Interstate		Long Term	Estimated End-User Interstate		1999	Estimated End-User Interstate		Line Rev. Req.	Per Loop/Month	Per Loop/Month	Per Loop/Month	Total State & Interstate Common Line Access
		Total 1999 Interstate	Rev. Req.	Total 1999 Interstate Common	Line Rev. Req.	Support 99	Common Line Fee	Per Loop/Month		Common Line Per Loop/Month	wo/LTS					
ACS OF ANCHORAGE	190,013	\$27,024,448		\$13,467,515		\$0	\$5.91			\$5.91		N/A		\$4.34		\$10.25
ACS-AK GREATLAND	5,808	\$1,151,890		\$356,134		\$0	\$5.11			\$5.11		\$245,649		\$3.52		\$8.63
ACS-AK JUNEAU	27,488	\$5,646,753		\$2,064,692		\$0	\$6.26			\$6.26		\$1,290,938		\$3.91		\$10.17
ACS-FAIRBANKS, INC.	42,922	\$10,687,990		\$5,672,935		\$927,924	\$9.21			\$11.01		\$2,943,545		\$5.71		\$14.93
ACS-N GLACIER STATE	49,853	\$13,064,868		\$8,263,856		\$3,794,952	\$7.47			\$13.81		\$5,530,992		\$9.25		\$16.72
ACS-N SITKA	13,792	\$5,171,890		\$1,963,015		\$603,792	\$8.21			\$11.86		\$1,279,275		\$7.73		\$15.94
ALASKA TEL CO	4,599	\$2,903,214		\$730,834		\$170,160	\$10.16			\$13.24		\$888,965		\$16.11		\$26.27
ARCTIC SLOPE TEL	2,489	\$2,718,728		\$611,477		\$273,252	\$11.32			\$20.47		\$450,497		\$15.08		\$26.41
BETTLES TEL CO INC	165	\$164,642		\$27,176		\$31,536	-\$2.20			\$13.73		\$31,836		\$16.08		\$13.88
BRISTOL BAY TEL COOP	1,886	\$1,281,522		\$509,430		\$196,980	\$13.81			\$22.51		\$281,912		\$12.46		\$26.26
BUSH-TELL INC.	926	\$999,776		\$321,478		\$269,088	\$4.71			\$28.93		\$251,181		\$22.60		\$27.32
COPPER VALLEY TEL	5,919	\$3,634,205		\$1,913,895		\$1,079,172	\$11.75			\$26.95		\$1,189,557		\$16.75		\$28.50
CORDOVA TEL COOP	2,039	\$934,838		\$330,109		\$124,464	\$8.40			\$13.49		\$216,462		\$8.85		\$17.25
INTERIOR TEL CO INC	4,604	\$4,016,849		\$1,373,163		\$841,524	\$9.62			\$24.85		\$1,039,224		\$18.81		\$28.43
KETCHIKAN PUBLIC UT	11,425	\$2,896,783		\$1,447,552		\$165,132	\$9.35			\$10.56		\$884,785		\$6.45		\$15.81
MATANUSKA TEL ASSOC	56,575	\$15,035,690		\$10,424,438		\$6,451,968	\$5.85			\$15.35		\$7,223,705		\$10.64		\$16.49
MUKLUK TEL CO INC	1,365	\$1,076,745		\$311,116		\$256,548	\$3.33			\$18.99		\$274,426		\$16.75		\$20.09
NORTH COUNTRY TEL CO	193	\$71,282		\$25,782		\$13,728	\$5.20			\$11.13		\$45,480		\$19.64		\$24.84
NUSHAGAK TEL COOP	2,467	\$930,114		\$393,375		\$190,332	\$6.86			\$13.29		\$259,833		\$8.78		\$15.64
OTZ TEL COOPERATIVE	3,249	\$2,094,467		\$725,807		\$304,212	\$10.81			\$18.62		\$398,528		\$10.22		\$21.04
SUMMIT TEL & TEL -AK	157	\$290,649		\$146,924		\$84,252	\$33.27			\$77.99		\$79,150		\$42.01		\$75.28
UNITED UTILITIES INC	6,643	\$5,280,856		\$1,293,126		\$917,640	\$4.71			\$16.22		\$1,182,757		\$14.84		\$19.55
YUKON TEL CO INC	597	\$633,505		\$142,137		\$79,452	\$8.75			\$19.84		\$93,650		\$13.07		\$21.82
<b>Total</b>	<b>435,174</b>	<b>\$107,711,704</b>		<b>\$52,515,966</b>		<b>\$16,776,108</b>						<b>\$26,082,347</b>				

Comments of the Regulatory Commission  
of Alaska  
August 21, 2001

**Notes:**

1. The above interstate revenue requirement data was provided by NECA through the Alaska Telephone Association. For each of the above companies, a release form was signed by a company representative giving NECA permission to release the requested revenue requirement data for 1999.
2. Interstate Cost Company data is based upon the 1999 Cost Study.
3. Interstate Average Schedule company data is based upon current view of 1999 settlements at the authorized level.
4. LTS and LS support obtained through the September 2000 Monitoring report Tables 3.13 and 3.14.
5. Loop data represents USF Loops from the Universal Service Fund Data: NECA Study Results, 1999 Report.
6. The above reflects data prior to companies acquiring GTE properties.
7. Interstate common line costs per line include costs of the federal Subscriber Line Charge.
8. The Interstate traffic sensitive revenue requirement data includes all traffic sensitive components and is not limited to local switching. We believe that for rural Alaskan companies, the majority of traffic sensitive costs will be for local switching.
9. The total State and Interstate Common Line Access per loop/month column assumes LTS support continues.
10. ACS of Anchorage, Inc. intrastate common line rate is based on access originating and terminating charge per line as documented under tariff.
11. All other intrastate revenue requirement data developed from TA39-999.
12. State local switching revenue requirement has been discounted to reflect state universal service fund DEM weighting. See AUSAC 10/2/2000 report.

**Table 2:**

**ESTIMATED SWITCH EFFECTS**

<u>COMPANY NAME</u>	<u>Number of Loops</u>	<u>Total 1999</u>		<u>Interstate Revenue Req.</u>		<u>Interstate Rev. Req.</u>		<u>Estimated Interstate End-User Switching Fees</u>		<u>1999</u>		<u>Estimated End-User Intrastate Fee</u>		<u>Total</u>	
		<u>Interstate Rev.</u>	<u>Req.</u>	<u>Traffic Sensitive Switched (1999)</u>	<u>Switching Support 99</u>	<u>Less Support</u>	<u>Per Loop Per Month</u>	<u>Local Switch Rev. Req.</u>	<u>Local Switching Per Loop/Month</u>	<u>Access Per Loop/Month</u>	<u>State &amp; Interstate Local Switching</u>	<u>Per Loop/Month</u>	<u>Access Per Loop/Month</u>	<u>Per Loop/Month</u>	<u>Per Loop/Month</u>
ACS OF ANCHORAGE	190,013	\$27,024,448		\$7,569,319	\$0	\$7,569,319	\$3.32	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
ACS-AK GREATLAND	5,808	\$1,151,890		\$659,037	\$427,296	\$231,741	\$3.33	\$0	\$0.00	\$0.00	\$3.33	\$0.00	\$3.33	\$3.33	\$3.33
ACS-AK JUNEAU	27,488	\$5,646,753		\$2,769,366	\$1,146,204	\$1,623,162	\$4.92	\$823,739	\$2.50	\$7.42	\$2.50	\$2.50	\$7.42	\$7.42	\$7.42
ACS-FAIRBANKS, INC.	42,922	\$10,687,990		\$3,424,079	\$1,358,904	\$2,065,175	\$4.01	\$1,065,625	\$2.07	\$6.08	\$2.07	\$2.07	\$6.08	\$6.08	\$6.08
ACS-N GLACIER STATE	49,853	\$13,064,868		\$3,553,801	\$987,912	\$2,565,889	\$4.29	\$1,062,641	\$1.78	\$6.07	\$1.78	\$1.78	\$6.07	\$6.07	\$6.07
ACS-N SITKA	13,792	\$5,171,890		\$2,661,720	\$1,655,928	\$1,005,792	\$6.08	\$562,471	\$3.40	\$9.48	\$3.40	\$3.40	\$9.48	\$9.48	\$9.48
ALASKA TEL CO	4,599	\$2,903,214		\$1,846,713	\$843,624	\$1,003,089	\$18.18	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
ARCTIC SLOPE TEL	2,489	\$2,718,728		\$1,822,709	\$836,568	\$986,141	\$33.02	\$0	\$0.00	\$33.02	\$0.00	\$0.00	\$33.02	\$33.02	\$33.02
BETTLES TEL CO INC	165	\$164,642		\$98,040	\$58,332	\$39,708	\$20.05	\$7,169	\$3.62	\$23.68	\$3.62	\$3.62	\$23.68	\$23.68	\$23.68
BRISTOL BAY TEL COOP	1,886	\$1,281,522		\$625,125	\$440,628	\$184,497	\$8.15	\$34,891	\$1.54	\$9.69	\$1.54	\$1.54	\$9.69	\$9.69	\$9.69
BUSH-TELL INC.	926	\$999,776		\$619,873	\$309,816	\$310,057	\$27.90	\$406,633	\$36.59	\$64.50	\$36.59	\$36.59	\$64.50	\$64.50	\$64.50
COPPER VALLEY TEL	5,919	\$3,634,205		\$1,405,363	\$867,348	\$538,015	\$7.57	\$102,143	\$1.44	\$9.01	\$1.44	\$1.44	\$9.01	\$9.01	\$9.01
CORDOVA TEL COOP	2,039	\$934,838		\$486,215	\$278,760	\$207,455	\$8.48	\$0	\$0.00	\$8.48	\$0.00	\$0.00	\$8.48	\$8.48	\$8.48
INTERIOR TEL CO INC	4,604	\$4,016,849		\$2,138,281	\$1,545,576	\$592,705	\$10.73	\$0	\$0.00	\$10.73	\$0.00	\$0.00	\$10.73	\$10.73	\$10.73
KETCHIKAN PUBLIC UT	11,425	\$2,896,783		\$1,198,625	\$763,188	\$435,437	\$3.18	\$76,273	\$0.56	\$3.73	\$0.56	\$0.56	\$3.73	\$3.73	\$3.73
MATANUSKA TEL ASSOC	56,575	\$15,035,690		\$3,162,063	\$0	\$3,162,063	\$4.66	\$1,287,795	\$1.90	\$6.55	\$1.90	\$1.90	\$6.55	\$6.55	\$6.55
MUKLUK TEL CO INC	1,365	\$1,076,745		\$699,073	\$350,976	\$348,097	\$21.25	\$286,708	\$17.50	\$38.75	\$17.50	\$17.50	\$38.75	\$38.75	\$38.75
NORTH COUNTRY TEL CO	193	N/A		\$67,582	\$17,748	\$49,834	\$21.52	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
NUSHAGAK TEL COOP	2,467	\$930,114		\$469,934	\$233,148	\$236,786	\$8.00	\$125,345	\$4.23	\$12.23	\$4.23	\$4.23	\$12.23	\$12.23	\$12.23
OTZ TEL COOPERATIVE	3,249	\$2,094,467		\$1,173,979	\$831,180	\$342,799	\$8.79	\$217,636	\$5.58	\$14.37	\$5.58	\$5.58	\$14.37	\$14.37	\$14.37

Comments of the Regulatory Commission  
of Alaska  
August 21, 2001

COMPANY NAME	Number of Loops	Total 1999		Interstate Revenue Req.		Interstate Rev. Req.		Estimated Interstate End-User Switching Fees		1999 Intrastate Rev. Req.		Estimated End-User Intrastate Switching Fees		Total State & Interstate Local Switching Access	
		Interstate Rev. Req.	Traffic Sensitive Switched (1999)	Switching Support 99	Less Support	Per Loop Per Month	Local Switch Rev. Req.	Local Switching Per Loop/Month	Per Loop/Month	Per Loop/Month	Per Loop/Month	Per Loop/Month	Per Loop/Month	Per Loop/Month	
SUMMIT TEL & TEL -AK	157	\$290,649	\$104,606	\$46,032	\$58,574	\$31.09	\$564	\$0.30	\$31.39						
UNITED UTILITIES INC	6,643	\$5,280,856	\$3,423,821	\$664,524	\$2,759,297	\$34.61	\$744,338	\$9.34	\$43.95						
YUKON TEL CO INC	597	\$633,505	\$448,746	\$292,332	\$156,414	\$21.83	\$9,476	\$1.32	\$23.16						
TOTAL	435,174	\$107,640,422	\$40,428,070	\$13,956,024	\$26,472,046										

**Table 3:**

**COMBINED EFFECT**

<u>COMPANY NAME</u>	Estimated End-User Interstate Fee Common Line Per Loop/Month w/LTS	Estimated Interstate End-User Switching Fee Per Loop Per Month	Total Interstate Rate	Total Interstate Rate Less Existing SLC (Increase in Rate)	Estimated End-User Common Line Per Loop/Month	Estimated Interstate End-User Switching Fee Per Loop Per Month	Total Interstate Rate Increase	Sum of Available End-User Fee Increases
ACS OF ANCHORAGE	\$5.91	\$3.32	\$9.23	\$4.23	\$4.34	N/A	N/A	\$8.57
ACS-AK GREATLAND	\$5.11	\$3.33	\$8.43	\$3.43	\$3.52	\$0.00	\$3.52	\$6.96
ACS-AK JUNEAU	\$6.26	\$4.92	\$11.18	\$6.18	\$3.91	\$2.50	\$6.41	\$12.59
ACS-FAIRBANKS, INC.	\$9.21	\$4.01	\$13.22	\$8.22	\$5.71	\$2.07	\$7.78	\$16.01
ACS-N GLACIER STATE	\$7.47	\$4.29	\$11.76	\$6.76	\$9.25	\$1.78	\$11.02	\$17.78
ACS-N SITKA	\$8.21	\$6.08	\$14.29	\$9.29	\$7.73	\$3.40	\$11.13	\$20.42
ALASKA TEL CO	\$10.16	\$18.18	\$28.34	\$23.34	\$16.11	N/A	N/A	\$39.44
ARCTIC SLOPE TEL	\$11.32	\$33.02	\$44.34	\$39.34	\$15.08	\$0.00	\$15.08	\$54.42
BETTLES TEL CO INC	(\$2.20)	\$20.05	\$17.85	\$12.85	\$16.08	\$3.62	\$19.70	\$32.55
BRISTOL BAY TEL COOP	\$13.81	\$8.15	\$21.96	\$16.96	\$12.46	\$1.54	\$14.00	\$30.96
BUSH-TELL INC.	\$4.71	\$27.90	\$32.62	\$27.62	\$22.60	\$36.59	\$59.20	\$86.82
COPPER VALLEY TEL	\$11.75	\$7.57	\$19.33	\$14.33	\$16.75	\$1.44	\$18.19	\$32.51
CORDOVA TEL COOP	\$8.40	\$8.48	\$16.88	\$11.88	\$8.85	\$0.00	\$8.85	\$20.73
INTERIOR TEL CO INC	\$9.62	\$10.73	\$20.35	\$15.35	\$18.81	\$0.00	\$18.81	\$34.16
KETCHIKAN PUBLIC UT	\$9.35	\$3.18	\$12.53	\$7.53	\$6.45	\$0.56	\$7.01	\$14.54
MATANUSKA TEL ASSOC	\$5.85	\$4.66	\$10.51	\$5.51	\$10.64	\$1.90	\$12.54	\$18.05

Comments of the Regulatory Commission  
of Alaska  
August 21, 2001



MUKLUK TEL CO INC	\$3.33	\$21.25	\$24.58	\$19.58	\$16.75	\$17.50	\$34.26	\$53.84
NORTH COUNTRY TEL CO	\$5.20	\$21.52	\$26.72	\$21.72	\$19.64	N/A	N/A	\$41.36
NUSHAGAK TEL COOP	\$6.86	\$8.00	\$14.86	\$9.86	\$8.78	\$4.23	\$13.01	\$22.87
OTZ TEL COOPERATIVE	\$10.81	\$8.79	\$19.61	\$14.61	\$10.22	\$5.58	\$15.80	\$30.41
SUMMIT TEL & TEL -AK	\$33.27	\$31.09	\$64.36	\$59.36	\$42.01	\$0.30	\$42.31	\$101.67
UNITED UTILITIES INC	\$4.71	\$34.61	\$39.32	\$34.32	\$14.84	\$9.34	\$24.17	\$58.50
YUKON TEL CO INC	\$8.75	\$21.83	\$30.58	\$25.58	\$13.07	\$1.32	\$14.40	\$39.98

Notes:

1. Interstate traffic sensitive fees may be slightly lower than shown depending upon the treatment of transport and other traffic sensitive access costs under Bill and Keep. For most rural Alaskan companies, traffic sensitive costs are primarily local switching in nature.
2. Actual average SLC data was not available. Interstate SLC revenues were estimated at \$5/month/line.
3. The above data would reflect end-user fees in addition to the customer's local bill.
4. Effects for Matanuska Telephone Co., Inc. may be lower than shown depending upon treatment of MTA tandem costs.
5. Actual average SLC data was not available. Interstate SLC revenues were estimated at \$5.00/month/line.